PFIZER MOTION TO TRANSFER VENUE

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EXHIBIT 3

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	1	UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK	
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	3	ANTHONY COULTRIP, et al.,	
	4	Plaintiffs,	
	5	v.	06-CV-9952 (AKH)
	6	PFIZER, INC.,	
	7	Defendant.	
	8	x	
	9		New York, N.Y. February 28, 2007 9:57 a.m.
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	11	Before:	
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ال	13		District Judge
	14	APPEARANCES	
	15	SPIRO MOSS BARNESS Attorneys for Plaintiffs	
		BY: IRA SPIRO, ESQ.	
	16	JOSEPH & HERZFELD, LLP	
	17	Attorneys for Plaintiffs BY: CHARLES JOSEPH, ESQ. MICHAEL PALMER, ESQ. MAIMON KIRSCHERBAUM, ESQ. LITTLER MENDELSON Attorneys for Defendant BY: JAMES BOUDREAU, ESQ. A. MICHAEL WEBER, ESQ. LEE SCHRETER, ESQ.	
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21	A. MICHAEL WEBER, ESQ. LEE SCHRETER, ESQ.				
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1 (In open court) 2 (Case called) 3 THE CLERK: Would the attorneys please state your name for the record. 4 MR. JOSEPH: Charles Joseph, Joseph & Herzfeld, for 5 6 the plaintiffs. 7 Ira Spiro, S-P-I-R-O, Spiro Moss Barness, MR. SPIRO: 8 for the plaintiffs. 9 MR. PALMER: Michael Palmer, Joseph & Herzfeld, for 10 the plaintiffs. MR. KIRSCHERBAUM: Maimon Kirscherbaum of Joseph & 11 12 Herzfeld for the plaintiffs. MR. BOUDREAU: Jim Boudreau, Littler Mendelson, for 13 the defendant Pfizer, Inc. 14 THE COURT: I didn't get your name, sir. 15 16 MR. BOUDREAU: Jim Boudreau. THE COURT: Yes. 17 MR. WEBER: Michael Weber, Littler Mendelson. 18 MS. SCHRETER: Lee Schreter, your Honor, Littler 19 Mendelson. 20 THE COURT: Everybody can be seated. 21 Of this large group, who's going to argue? 22 MR. SPIRO: I am for the plaintiffs, your Honor. 23 THE COURT: So you are Mr. Spiro? 24 25 MR. SPIRO: Spiro, yes.

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MR. BOUDREAU: And I, Mr. Boudreau, will be the principal, your Honor.

THE COURT: Mr. Boudreau.

MR. SPIRO: I understand that only one of us should argue. Am I right about that?

THE COURT: Yes.

MR. JOSEPH: Your Honor, after the argument there are some other issues I'd like to bring up, if that's okay.

THE COURT: Sure.

This is a motion to strike the class allegations of the complaint. And the motion is brought by Mr. Boudreau. So let me look at the complaint, Mr. Boudreau, and focus me on the allegations you wish me to strike.

MR. BOUDREAU: Your Honor, it is essentially all of the class -- the Rule 23 state law class allegations.

THE COURT: What are the numbers?

MR. BOUDREAU: They are contained in paragraphs 24 through 55, your Honor. And then to the extent the wherefore clause obviously contains prayers for classwide relief, under Rule 23 for that as well, your Honor.

THE COURT: On a motion to strike or motion to dismiss brought under Rule 12(b), I have to accept the allegations of the complaint as if proved.

MR. BOUDREAU: That's 12(b), your Honor, but the motion is also brought under Rule 23(d).

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THE COURT: What in 23(d) gives me the ability to go beyond the allegations?

MR. BOUDREAU: Your Honor, I don't think that necessarily you need to go beyond the allegations, nor am I asking you to. I think 23(d) does give you that flexibility if you so choose. 23(d) literally says that the Court has flexibility in the management of the action, to focus the attention needed to conduct the litigation, without --

THE COURT: Mr. Boudreau, if you want to read something, it must be done slowly so the reporter can get it and I can listen to you.

MR. BOUDREAU: Rule 23(d)(4), your Honor, expressly authorizes a court to order that the pleadings be amended to eliminate therefrom allegations as to representation of absent persons and the action proceed accordingly.

THE COURT: And under this section how do I deal with well-pleaded allegations that set out a proper cause of action?

MR. BOUDREAU: Your Honor, it's not a motion to dismiss a well-pleaded cause of action; it is a motion to dismiss the Rule 23 allegations.

THE COURT: Well, let's get to the specifics. Give me the first allegation you want me to strike.

MR. BOUDREAU: Again, your Honor, if we go to the class allegations of the complaint, which are broken out in the paragraphs I cited previously --

THE COURT: Well, I'm starting with 24. You tell me what it is you want me to strike. Let's go to the first clause that you regard as substantive.

MR. BOUDREAU: It's paragraph 24, your Honor, and frankly, the whole allegation, is that plaintiff Albarran brings the California claims for relief pursuant to the Federal Rules of Civil Procedure Rule 23, on behalf of all persons who were, are or will be employed by defendants on or after the date that is four years before the filing of the complaint.

THE COURT: So this is much too broad because it doesn't signify the particular people in the class.

MR. BOUDREAU: Your Honor, it is -- that would be one aspect of it. But that the Rule 23 allegations fail to state a viable claim under Rule 23 --

THE COURT: You've got two points here. One is that it is inconsistent to have a class, an opt-in class under the Fair Labor Standards Act and an opt-out class under state law. I held in Ansoumana that that wasn't so, and I have not thought anything since that case that would cause me to depart from that ruling as a matter of theoretical exercise. However, Ansoumana was based on a different set of employees in a different locale from the set of employees and the several locales that apply to this particular case. So there's nothing in paragraph 24 except its excessive breadth that lets me focus on that distinction. Insofar as you're making an argument that

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theoretically there cannot be a coexistence of the two kinds of classes, I reject it. And I rule as I did in Ansoumana that in an appropriate case, you can have a coexistence. But I stress, in Ansoumana there was a more limited class operating in particular supermarket locales in the city of New York and particularly in Manhattan in the city of New York, a particular type of employee, rather fungible, because all they were doing was delivery services and incidental other services in the supermarket or drugstore and it was a class that was easily manageable and I could make sure that nothing in the opt-out class under New York State law would bury the remedies or detract from the remedies of the opt-in people under the Fair Labor Standards Act. All the actions under the state law did in that case was somewhat enlarge the scope of action because the statute of limitations in New York was a little more liberal than it was under federal law. That may not be true here, but my focus is now on the pleadings and I want you to go through the pleadings and focus me on specific allegations that you think are not cognizable by the Court dealing with the Fair Labor Standards Act case.

MR. BOUDREAU: Your Honor, I mean, I could go through all 40 --

THE COURT: That's what I want you to do.

MR. BOUDREAU: -- some odd allegations.

THE COURT: That's what I want you to do.

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1 MR. BOUDREAU: Well, again, your Honor, but again, 2 this ties back to the argument that you're telling me you reject and --3 4 THE COURT: Well, I reject it. So now you've lost that argument. What's your other position? 5 6 MR. BOUDREAU: Well, there's two fallback arguments, 7 The first being that on the face of the complaint 8 they cannot satisfy the standards under Rule 23. THE COURT: Okay. I'll hear that. What's the other 9 point? 10 11 MR. BOUDREAU: And the second point, your Honor, is, 12 irrespective of Rule 23, that the Court should exercise its 13 discretion under 1367 and refuse or deny supplemental 14 jurisdiction of the state law claims. 15 THE COURT: That's very hard to do on a motion to dismiss. 16 MR. BOUDREAU: Your Honor, it's been done, and it's 17 been done rather frequently and more increasingly in the last 18 year. There's a litany of cases, and I think it's particularly 19 20 appropriate in this case --THE COURT: The law in the Second Circuit is very 21 deferential to pleadings. This is still a circuit where former 22 professor and dean and later judge Charles Clark developed a 23

sustainable presence with regard to the rule to plead. Lots of

district judges have tried to exercise control over a case by

creating tight standards under the pleadings and they've failed. They've failed in the trust area, they've failed in the securities area, they've failed in other areas as well, including some efforts of my own. So I'm not about to do that.

MR. BOUDREAU: Well, your Honor, I would say within the Second Circuit that trend is changing a little bit in this past year with the --

THE COURT: Maybe.

MR. BOUDREAU: The fact of the matter here is, your Honor, that this is unlike any other case that the plaintiffs cite or that, frankly, we've been able to find either in the Southern District of New York or anywhere else.

THE COURT: I agree with you, but I still have to deal with pleadings, so I want you to take me through the pleadings and point out specific allegations that, given what I've just said, you think can be stricken.

MR. BOUDREAU: Well, your Honor, if we start with paragraph 24, we went through it. If we go to paragraph 25, your Honor, the proposed class that the California plaintiff seeks to represent is defined as all persons who have been, are or in the future will be employed in California by defendants in any of the covered positions.

THE COURT: So what are the covered positions?

MR. BOUDREAU: There are seven covered positions, your Honor.

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1	THE COURT: Where do I find them?		
2	MR. BOUDREAU: They're delineated at paragraph 2 of		
3	the complaint.		
4	THE COURT: Okay. Now does plaintiff make allegations		
5	that adequately bring these seven categories into the criteria		
6	of Rule 23?		
7	MR. BOUDREAU: Well, I would say, your Honor, what		
8	they say is they're all salespeople performing similar jobs.		
9	But what we have now is seven different job titles in a minimum		
10	of four different states. Indeed, they've already signaled the		
11	intent to amend the complaint again to add other state law		
12	claims.		
13	THE COURT: Do we have any idea of how many people are		
14	involved?		
15	MR. BOUDREAU: In the lawsuit?		
16	THE COURT: If nobody should opt out, how many people		
17	would be involved?		
18	MR. BOUDREAU: Well over 10,000, your Honor.		
19	THE COURT: In four states.		
20	MR. BOUDREAU: Well, they've already		
21	THE COURT: Functioning in seven different categories.		
22	MR. BOUDREAU: Seven different job categories,		
23	currently four different states, and dealing with, on the face		
24	of		

THE COURT: I suppose that would make my findings with

regard to state law in the four states, there would be a disparity between those four states and every other state in which Pfizer operates, which might not be consistent with the Fair Labor Standards Act.

MR. BOUDREAU: That is true, your Honor. That is certainly a possibility. And you know, your Honor, the thing about the four separate claims is, keep in mind, this is an exemption case. These are exempt employees who claim that they are not properly exempt. State law on the exemptions differs. This is not a, say, an off-the-clock case, where nonexempt employees are all -- they're all being paid hourly rates and aren't being paid a proper overtime rate. It is -- and the test for exemptions, for example, in California are dramatically different than under the Fair Labor Standards Act. There are peculiar -- there's a Pennsylvania state law claim --

THE COURT: You're saying it could be different among the four states and they're likely to be different with the federal standards.

MR. BOUDREAU: That's exactly right, your Honor, you know, and -- So obviously you've got the issues of statutes of limitations differing, you've got the calculation of --

THE COURT: Do we know that or --

MR. BOUDREAU: Statute in New York is six years, for example, your Honor, Wisconsin is two years, Pennsylvania is three years, the federal act is two years, or three, in the

event of willfulness.

In addition, your Honor, you've got different remedial provisions. That is how you calculate penalties, to the extent they exist. In New York you can't have a Rule 23 class that has a penalty provision in it. So presumably when they add the New York case that they've said they're going to add, they'll waive liquidated damages. Yet there are liquidated damages provisions in Pennsylvania law, in Wisconsin law, and they're different than the Fair Labor Standards Act.

So in addition to that, you then fall back, your Honor, to the ultimate issue of, take away the remedial provisions and the procedural issues, statute of limitations, but you have again the dramatically different exemption requirements. I mean, the test for an exempt employee in California is dramatically different than the federal standard.

THE COURT: You covered that already.

MR. BOUDREAU: Right. And so the other aspect, your Honor, is that because it's an exemption case, you're looking at the need to conduct individualized inquiries into each of these seven positions because theoretically, and it's entirely possible, there are going to be multiple exemptions that apply to some or all of these different job categories. There's three on the face of the complaint.

THE COURT: Is it alleged how these different categories work, whether they're out of the home, whether

they're in different plants of the company?

MR. BOUDREAU: They work out of their home, your Honor. It is alleged that they work out of their home.

THE COURT: That's the allegation in the complaint?

MR. BOUDREAU: I'll leave it to the plaintiffs to

articulate it, but I believe that's the case, your Honor. I'm

looking for it.

THE COURT: It's likely that some work out of the home and some work through a company office.

MR. BOUDREAU: Reporting to a company office, your Honor. There's a regional office structure. But again, the job duties amongst the seven are --

THE COURT: Vastly different.

MR. BOUDREAU: -- are different in terms of how they sell the product or particularly what type of products you sell.

And keep in mind, your Honor, when it comes to this exemption issue, many states now are increasingly regulating the sale of pharmaceutical products on their own. For example, Maine has its own statute, you know, sort of a mini FDA, if you will, in terms of what can or cannot be said or how drugs can be sold within the state. So a salesman in Maine is going to have a very different job, frankly, than one in New York that's not regulated.

So that's going to be the case for each and every one

of these jobs, and it's entirely possible that one sales rep in Ohio could be exempt and a sales rep in Maine could be determined to be nonexempt because that issue of exemption status is a highly individualized inquiry and is dependent on what job responsibilities the individual performs, and that is what that individual in fact performs, not what some job description says or what they're supposed to do.

So ultimately, your Honor, in the event of a Rule 23 certification, you know, where you have an opt-out class that the plaintiffs admit is going to dwarf the opt-in class, at least they claim it's going to, I mean, you're going to be embroiled in a state-by-state factual basis, one, learning state law on an individualized basis, and then two, applying the particular -- particulars of those state laws to each individual.

And you know, the federal Fair Labor Standards Act has a highly compensated exemption. You know, if you're over a hundred thousand dollars a year, certain -- you can meet an exemption under the standards, gets a little easier, there's a way around it. That's not going to be the case in every state. And ultimately what you're going to end up with, your Honor, is I think what many of the cases that decline supplemental jurisdiction talk about and that is the state law claims sort of wagging the federal tail, if you will.

And it ultimately brings me back to this issue, your

Honor, and I know you rejected this argument, but I'm concerned about the inherent incompatibility --

THE COURT: Well, I didn't reject inherent incompatibility as applied to these particular facts. I reject the argument in theory. I found in Ansoumana that I needn't reject the theory there because there was essential harmony. That may not be the case here for all the reasons that you set out.

MR. BOUDREAU: And your Honor, if I could explain, because I think your Ansoumana decision actually supports the argument that we're making. And it's the federal Fair Labor Standards Act 216(b) specifically says that no individual's FLSA's rights can be adjudicated unless the individual expressly consents in writing to join the action.

THE COURT: Right. Correct.

MR. BOUDREAU: If you allow a Rule 23 opt-out class, you're going to have state law claims which are parallel to the federal claims, and this is why I think Ansoumana somewhat supports this point, your Honor. You in Ansoumana said, indeed, it would be difficult to try them separately for the findings in one case would tend to be preclusive as to the other. And so what would happen is, an absent class member --let's take a California plaintiff -- or maybe California wouldn't be the best. Let's take a Pennsylvania plaintiff, where the exceptions are the same. A Pennsylvania plaintiff

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who does not opt into the case, so he's not a member of the 216(b) class but is a member of the Rule 23 class, when the Rule 23 judgment comes down, his claim will be adjudicated. The issue of preclusion, that result, that Rule 23 judgment, will preclude him effectively from ever relitigating under 216(b).

THE COURT: I don't accept the argument, for the same reason I don't accept the previous argument. In Ansoumana, because of the very close harmony in the two situations of the state cause, that cause of action and the federal cause of action, I held the way I did. But given four different states, possibly five, with the proposed amendment, and federal law, and covering totally different kinds of employees, different range of situations, the problem is not preclusive effect on judgment, the problem is manageability. In order to avoid the problem of collateral estoppel the way you mention it, it becomes very important for the judge to rule in very distinct fashion what rulings are made under federal law and what rulings are made under state law. That makes this kind of cause of action extremely difficult to manage. It's on that basis that I see the distinction, not the basis that you mentioned.

I'd like to ask you this question: If I don't make this ruling now because of the hesitancy I expressed earlier, when is the next time I can make this ruling when there's a

motion for class certification?

MR. BOUDREAU: I would expect when there is a motion for class certification, your Honor, I will assume that that motion would have to be under Rule 23.

THE COURT: And in the meantime, there would be discovery, which would bring out many of the points that you're bringing up now.

MR. BOUDREAU: That's possible, your Honor, but bear in mind, when we were at the scheduling conference before, it was the plaintiff's intent to file a motion for conditional certification under 216(b) right away --

THE COURT: Well, I wouldn't grant it.

MR. BOUDREAU: -- and then wait --

THE COURT: I wouldn't grant it if there was this uncertainty because it just makes things too complex.

All right. Let me hear from Mr. Spiro.

MR. SPIRO: I'm not sure which to address first, your Honor.

THE COURT: Well, you choose, Mr. Spiro. That's one of the privileges counsel has.

MR. SPIRO: Thank you. I think, well, this motion is a motion to dismiss, says so right in the beginning, and a motion to strike combined, but what it's trying to do is dismiss all of the state law causes of action, all the Rule 23 causes of action.

THE COURT: So far as they're class alleged. They're not motions to dismiss the actions of the individual plaintiffs under state law as well as federal law.

MR. SPIRO: That's correct, as I understand the motion. And the pleadings, there's nothing in the pleadings that can justify the motion. Counsel for Pfizer then adverted -- well, adverted to -- when the Court said what it said about the general principle of Ansoumana, then counsel for defendant said, well, what we're then talking about is failure to meet the criteria of Rule 23, and I think it meant 23(b)(3) in particular.

And supplemental jurisdiction is the second thing counsel mentioned. Well, on the pleadings, in the pleadings, there is nothing from which the Court can determine that Rule 23(b) criteria are not satisfied.

THE COURT: What's the point of expressing hesitancy and in not ruling now when at a time the Rule 23 motion for certification is made, we would have to deal with the same points at that time?

MR. SPIRO: Because --

THE COURT: What's to be gained?

MR. SPIRO: Well, the hesitancy in not ruling now?

THE COURT: Correct.

MR. SPIRO: Well --

THE COURT: Let's say I accept that argument and the

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hesitancy I expressed earlier and saying, on the face of the complaint arguably Rule 23 is satisfied, I can't strike the allegations on a Rule 12(b) motion. The answer was twofold: one, as supplied by Mr. Boudreau, who said this is also a motion under Rule 23(d) and pointing to this express language of enabling the judge to deal with a complaint; and the second, my own in saying I would have to deal with the same criteria when a motion for certification were made under Rule 23.

The arguments that Mr. Boudreau makes are not necessarily fact based. They are arguments based on reasonable implications drawn from the pleadings themselves. So all of the scope is wider than is usually the case under a Rule 12(b) motion, given Rule 23(d) and the kinds of arguments that are made. In the Court's own experience in dealing with these kinds of allegations, I may be able to make those findings.

Frankly, I am disposed, Mr. Spiro, not to change my mind from Ansoumana but to distinguish the fact pattern from Ansoumana and to rule that the fact pattern presented in your pleadings is much too complex and much too diverse and much too difficult to manage to suggest an opt-out class would be available.

MR. SPIRO: I understand, your Honor. Thank you. That focuses me better.

This complaint alleges the state laws of only four states. There is a case whose name I can't remember -- if

somebody can give it to me -- in the Second Circuit here, it's a district court case, in which an FLSA claim and the claims of nine different states were certified. There is the case --

THE COURT: Who was the judge?

MR. SPIRO: I'll have to find it. Somebody help me with it? Sorry. I don't have it. I'll find it in a moment. There's also -- I'll find that. I can look at my notes.

Pardon me. My memory for names is not the best.

There's also the farmers litigation in -- well, it's actually a multidistrict litigation in California, farmers overtime class litigation, in which the judge there in the District of Oregon certified a case under the FLSA and seven different states. Going back to the specific complaint here --

THE COURT: So you have a district court decision in Oregon and a district court decision in the Southern District of New York. But there's a great deal of discretion that is involved in certifying the Rule 23 class. And it may be that those judges have much greater capability than I do.

MR. SPIRO: I understand, your Honor. To that I would say this: What we're talking about here as far as Rule 23, I think what the defendant is getting at is the predominance of common issues.

THE COURT: I'm sorry?

MR. SPIRO: Predominance of common issues. In other words, counsel's talking about, oh, we've got four states and

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then counsel, for some reason I can't -- well, that I disagree with, I won't say I can't understand -- is talking about 50 states. There is no question about 50 states in this case.

THE COURT: I brought up the issue. I was worrying that rulings in four states would possibly create a discriminatory treatment as between those four and the 48 others, and in combination with the Fair Labor Standards Act, it makes the problem more acute. This is not a simple pattern. This is not a group of delivery employees or West African employees who may or may not have valid immigration status in this country working below wage for several supermarket chains in the city and state of New York. These are people who earn a lot more money than that working in various sales capacities in different places, spread through different areas, supervised by different offices, presenting much more complex problems. I don't feel I can manage that. I don't feel the commonality of issues predominates over the specific issues in each particular office and perhaps with many different employees, some of whom work out of their homes, some of them don't, some of them report to offices on weekly bases, some -- I don't know these things, but I know the variety of supervisory treatment in American industry. There is something.

MR. SPIRO: The Court just said something that -- I don't mean to challenge the Court's words back at it --

THE COURT: Don't worry, Mr. Spiro. You can freely

challenge me.

MR. SPIRO: All right.

THE COURT: I only have wisdom when the Second Circuit affirms me.

MR. SPIRO: That can't be true. There's always the Supreme Court.

The Court said something that perked up my ears, frankly. And the Court moved its hands up and said, these things, I'm not sure, I don't know, but these things may be true. Now that's why this motion shouldn't be ruled on and -- at least it shouldn't be granted at this stage in the litigation.

THE COURT: But as I asked you before, what profit is there to postpone the ruling and to stay your ability to proceed under the Fair Labor Standards Act? Which I will do; I will not let you go forward with the Fair Labor Standards Act until I know what the situation is with the state law.

MR. SPIRO: Well, the profit is that there are four valid claims for relief for four different states that should not be dismissed on the basis of the pleadings here that the Court can only know --

THE COURT: So answer my question. What profit is there to postpone this issue to a Rule 11 certification, which will come 30 days from now on much the same record?

MR. SPIRO: Well, there's two answers to that. There

is no profit if the Court is -- if the Court denies the motion, in other words, rules in plaintiff's favor. Because then the state law claims for relief will go forward.

THE COURT: Well, given my belief as I've expressed that this is not suitable for class action treatment on an opt-out basis and the likelihood therefore being that I will deny a motion for certification, what profit would there be?

MR. SPIRO: There's a great deal of profit. What will happen then is that the -- well, here, let me make two points. First of all, at the outset, the claims for relief, on the Rule 23 claims for relief in four different states will be gone. These people will not have their right in this Court, at least, to vindicate their Rule 23 relief. And --

THE COURT: Not true. The particular plaintiffs will.

MR. SPIRO: That's true. The classes won't.

THE COURT: But those who opt in will.

MR. SPIRO: That's -- but not entirely, no, they won't.

THE COURT: We don't actually know that. We don't know what that rule will be. But I think, as I remember the proceedings in Ansoumana, anyone who opts in becomes a party to the action and the parties to the action have an ability to have all their claims adjudicated. The likelihood is that they would qualify under Section 1367 and so I would have to adjudicate their claims not only under the Fair Labor Standards

Act but the state claims well. I'm not sure of that. I don't know if you thought about that, Mr. Boudreau.

MR. BOUDREAU: Yes, your Honor. You have discretion to do exactly what you just said.

THE COURT: So what we're talking about is a more manageable situation with specific plaintiffs who have opted in than in the more elusive situation of those who have not opted out.

MR. SPIRO: Well, your Honor, that seems far less manageable. In other words, if we're talking about a --

THE COURT: Well, Mr. Spiro, I'm firm on that. If there are named parties, it's more manageable. The manageability difficulties come when you don't know really what you have, and we would not know what we have in a class that potentially is 10,000 in number.

MR. SPIRO: Well, your Honor, if I understand it, in a class action, the manageability of -- in fact, the very justification for a class action is that something like exemption from the overtime laws can be determined for a large number of people by ways, by expedited means that the Court can fashion, that the Court has enormous discretion to fashion, representative evidence and the like can be determined for large numbers of people as compared to determining them person by person by person. And that's the whole idea -- maybe not the whole idea, but certainly a major idea of a class action.

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THE COURT: It depends on the people involved. It depends what they do, depends how you work, depends how the law is framed.

MR. SPIRO: Let me say this: There is right now -well, let me go to the laws in question. There is nothing in the pleadings that states or shows that the exemptions in the four different states are in any significant or unmanageable way different from the exemptions under the Fair Labor Standards Act. I'm quite familiar with the California exemptions, and there is only one significant difference, which is that on some of the exemptions there is a time-based component, in other words, if you're working 50 percent of your time doing the nonexempt work, that is -- that happens in every single California FLSA and Rule 23 class action. And the great majority of the cases in California, one that even came down this month, held that both could proceed together. Counsel cited two or three cases from California from the Ninth Circuit district courts that held to the contrary, but the large majority of cases in the Ninth Circuit held that both can go forward.

In any event, the point is that on the law, there's nothing in the pleadings, and there can't be anything until it's briefed for the Court, to show that the issues of law here are something that's in any way difficult for the Court to manage. And I believe that they are not. But I can't

demonstrate that to you in the pleadings. And in fact defendants, defendant in its motion and particularly in its reply does not say anything specific about what is different between the state law exemptions and the federal exemptions except to mention, I believe it's four things: statute of limitations -- I have them listed here somewhere.

THE COURT: Rule extension, different statute of limitations, different remedial provisions, different job responsibilities.

MR. SPIRO: Thank you. I appreciate that. And these are conclusory remarks only, that the Court has nothing before it to determine whether those differences actually do exist, whether they are manageable or not manageable until the Court could be briefed on what these differences are. Now difference --

THE COURT: Supposing, Mr. Spiro, I would agree with that. When can you make a Rule 23 certification motion? And would it require discovery?

MR. SPIRO: It would re -- yes, it would require some discovery, yes.

THE COURT: What discovery would you need?

MR. SPIRO: We would need discovery of -- boy, I wasn't ready to address this. But I think I can tell at least in a general way what discovery we would need. We would want discovery basically for corporate representatives under Rule

30(b)(6) to determine, actually to verify what we're told by our clients, that the job is, although named differently, as we've stated in our complaint, is the same throughout the country, to verify that --

alleged in paragraph 2 are different names for the same thing?

MR. SPIRO: That's right. They're different names for the same thing. The defendant classified all of them as

THE COURT: You mean the different covered persons

THE COURT: What person would you need to tell you that?

outside salespeople. They don't sell anything --

MR. SPIRO: Whatever corporate representatives. In other words, I do --

THE COURT: So we'd have discovery, we'd have witnesses back and forth on what these titles mean?

MR. SPIRO: On what the titles mean and more particularly the fact that what they do on their jobs is highly regularized, extremely regularized in part because of something that counsel for Pfizer mentioned, because of the FDA and Pfizer needing very dearly to comply with FDA laws and regulations in the promotion of its product. These people, our clients, I will tell you, have said that, we act basically as automatons. It wasn't that way in many years past before the --

THE COURT: All right. That would be relevant in

relationship to a Rule 23 certification. What other types of discovery would you need?

MR. SPIRO: We would need documentary discovery on the company policies, and there are -- the company policies that pertain --

THE COURT: Regulating overtime for such people?

MR. SPIRO: I wasn't getting at that. I was getting at regulating how these people do their work, because there are very strict company policies on this, even strict --

THE COURT: Same as we talked about before.

MR. SPIRO: Yes.

THE COURT: All right. Mr. Boudreau, one of the benefits of deferring ruling until a motion for certification is made is that the decision becomes immediately appealable under Rule 23(f). I don't know if a ruling under 23(d)(4) would be immediately appealable. And certainly a ruling that I would make on the basis of a limited discovery record would have more meaning than ruling on the pleadings. I do believe that a ruling in your favor at this point might not stand because of the sensitivity of the Second Circuit not to go beyond the pleadings themselves. I do agree that there has been slippage from this rule and the most recent decision in the Second Circuit in the securities class action field, Judge Scheindlin's case requiring much greater fact finding on the part of the court in terms of the merits than we previously

thought we would be allowed, marks the possibility of a different trend. I feel, however, that there should be limited discovery and a Rule 23 motion, and then I would make the findings that I need to make either for or against class certification.

In the meantime, the case would not proceed under the Fair Labor Standards Act. I would stay it so that I would create a parallelism to the greatest extent possible under both federal and state law. I think that's my view now.

MR. BOUDREAU: Excuse me, your Honor?

THE COURT: I think that's my view now.

MR. BOUDREAU: Well, your Honor, I think I go back to -- and I think you made this point, but I don't think the landscape is going to change at all.

THE COURT: It may not. But it will be a surer ruling on the landscape, a surer demarcation of the posts and fences that mark off the landscape.

MR. BOUDREAU: And I can only say, your Honor, that the trilogy, the Kodak trilogy of cases from the Western District of New York dealt with this issue and went ahead and did it on the 12(b) standard regardless. And I would also say, your Honor, a case that came down --

THE COURT: Tell me about those cases.

MR. BOUDREAU: It was the same argument made, your Honor. It was a multistate class action, and I think it was

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THE COURT: Who was the district judge?

MR. BOUDREAU: Off the top of my head, your Honor, I don't know the judge, but I can tell you in a minute. Telesca. And there were essentially three companion cases.

THE COURT: We won't have much trouble following Judge Telesca.

MR. BOUDREAU: And it was 25 states.

THE COURT: And what did he hold?

MR. BOUDREAU: Supplemental jurisdiction grounds, your Honor, that there was no way to manage it moving forward, it was too big a mess. And --

THE COURT: He made those findings under Section 1367 and not under Rule 23?

MR. BOUDREAU: That's my understanding, your Honor. And the thing there was, the plaintiffs argued, your Honor, that the motion was premature because they needed more discovery. And he basically says, look at 23(c)(1) because 23(c)(1) now promotes the speedy class resolution. Indeed, many district courts have entered 90-day orders. I think you've got to file for class certification within 90 days, often prohibiting any significant real discovery to be made.

Now I would also say, your Honor, and just to make you aware of this --

THE COURT: Well, it was always the rule that you had

to make a motion quickly, but quickly is subject to a lot of things.

MR. BOUDREAU: Exactly. As soon as practicable is always used, and I still don't know if practicable is a word. And again, many district courts have entered a rule now, 90 days. But regardless, he rejected the idea that further discovery would do anything because he was dealing with 25 states, et cetera. And I think it's important here, your Honor, to look at the complaint in this case because the class definition applies to covered employees. Covered employees is defined in the complaint to be all persons who have been, are or in the future will be employed by any of the defendants in any job whose title is or was referred to in any of the following -- the seven job titles.

THE COURT: Mr. Boudreau, I would not have much trouble diminishing that scope. But that wouldn't really get to the heart of the problem. The parties have not briefed Section 1367(c). 1367(c) provides that the district courts may decline to exercise supplemental jurisdiction over a claim under subsection (a) if the claim raises a novel or complex issue of state law; the claim substantially predominates over the claim or claims over which the district court has original jurisdiction; in exceptional circumstances there are other compelling reasons for declining jurisdiction. So the subparagraphs (1), (2) and (4).

MR. BOUDREAU: Your Honor --

THE COURT: The problem with ruling under 1367(c) is that it pertains also to the individual supplemental claims.

MR. BOUDREAU: Correct.

THE COURT: And your focus is only on the class claims. I don't really think that's a 1367 argument. Judge Telesca may have found that. I don't think I'd go that way.

MR. BOUDREAU: I was going to say, the parties have argued 1367, your Honor.

THE COURT: They have. I understand that. I retract what I said. But as I say, I'm not content to make this a ruling under Section 1367. I have to focus on Rule 23.

All right. I'm going to rule, folks, that the motion is denied, with leave to renew in the context of a Rule 23 class certification.

I'm not ruling on the merits. I want to make that very clear. Indeed, as I think my remarks can fairly be understood, I am concerned that I will not be able to manage the class claims in the opt-out classes under state law with the opt-in classes under Title 29, the Fair Labor Standards Act. There are important distinguishing considerations between this case and the Ansoumana case. And I need to have those developed and explored in limited discovery. It will more focus the briefing than exists at this point in time.

So that's my ruling on the present motion. As I said

before, the proceedings under the Fair Labor Standards Act would be stayed until such time as I'm able to rule on the certification issues under Rule 23.

Let us go off the record for a few minutes and discuss what are the next steps, and we'll recap this on the record.

Well, we can stay on the record, actually. Let me discuss a few points, and we'll see if we can do this on the record.

Mr. Spiro has discussed the elements of discovery that he thinks he needs. Mr. Boudreau, do you have any ideas about discovery that you might need?

MR. BOUDREAU: Well, yes, your Honor. We would want to depose all the named plaintiffs.

THE COURT: Four?

MR. BOUDREAU: Five.

THE COURT: Five.

MR. BOUDREAU: And then there's additional four opt-ins on top of that.

THE COURT: I don't know that you need to do all those. I think three would be sufficient.

MR. BOUDREAU: Well, your Honor, I'm trying to capture all the state law claims and there's -- the plaintiffs have already --

THE COURT: Yes, but those are legal arguments, they're not factual arguments. You may ask me for more if you don't get enough information out of the three, but I'd like you

to focus on three and then tell me if you need more.

MR. BOUDREAU: Do you mean four, your Honor?

THE COURT: Three.

MR. BOUDREAU: So we're down to three now.

THE COURT: Three out of five. Look, if you want to take five, it's okay too. I'm not really going to hold you to three. But the point I'm making is, I don't want this to be an elaborate discovery program. I want it to be economic, efficient, concise and leading to the motion where I can make my decision and then both sides can try to appeal to the Court of Appeals.

MR. BOUDREAU: The plaintiffs have recently -THE COURT: Second Circuit has not spoken on this
issue.

MR. BOUDREAU: The plaintiffs have recently propounded discovery, including a deposition notice, and I would assume that that is aimed at the very issues you're talking about. So I think there's already a written record on it.

THE COURT: Well, I think you ought to get together and come up with a program and tender it to me to be so ordered.

MR. BOUDREAU: Okay.

THE COURT: See if you can limit your scope. Work with Mr. Spiro and Mr. Joseph and try to find out enough about the plaintiffs from their informal discussions so you can get a

spread of information without taking everybody. And I want both sides to be efficient here. Why don't you meet and confer about these issues and see if you can tender to me a discovery plan only for the purpose of making the motion for certification, including a briefing schedule on this motion for certification. I would like to have all this done within 45 days. If you need more time, you'll ask me for more time, but I make this point because I want it constricted. More efficient as well.

MR. SPIRO: You meant all the discovery done within 45 days?

can do it. You don't need 30 days to get all this discovery. I mean, you don't need every single piece of paper in the company. Class certifications can be revisited. But I think it's important -- you want to get on with your case no matter what, Mr. Spiro, and the delay is going to be built in by this opt-out class, it's going to be significant no matter what we do, so I'd like to try to keep it within bounds. There may be an appeal. Rule 23(f) allows both sides to try to convince the Court of Appeals to take an appeal on this issue. Experience teaches that when you ask the Court of Appeals, it takes two months to get an answer, maybe even longer. At this point they are bogged down with a lot of cases.

So there's a built-in period of delay that is going to

afflict this situation no matter what. The more I can create a constricted period within which you can operate, the shorter period of time for the delay. Because if you are right, there are people who will have the remedy, and the longer they wait for the remedy, the more difficult it will be.

There's not going to be any settlements within this period of time, unless it's for the named plaintiffs only.

There will be no class settlement in this period.

Okay. Anything else I need to rule on?

MR. JOSEPH: In the event of any discovery disputes,
will they come before this Court, given the --

THE COURT: The procedure I have under Rule 2(e) of my individual rules, that will give you an opportunity to give me a joint letter, and if I can do it, I will give you 24-hour turnaround on the ruling.

MR. SPIRO: There is one question I have, your Honor.

THE COURT: If you can't get together on a discovery plan, you'll write me a joint letter which will append a jointly proposed with alternatives order so I can see which side is proposing which idea, and I'll create an order on the basis of this procedure. This procedure cuts out sequential letters. The problem with sequential letters is you never know which is the last one. So there's one shot. And it also promotes conferring about what you're doing, and in my experience many disputes are resolved before they even reach

1 | me.

Okay. All right. Get together, create a discovery plan for this, tender it to me with an order, and we'll go forward.

MR. SPIRO: I have one question.

THE COURT: Yes.

MR. SPIRO: The Court said motion for class certification within 45 days. But the Fair Labor Standards Act case is not proceeding. Does this mean that we do not make a motion under the Hoffmann-La Roche case for initial certification and notice?

THE COURT: Yes, that you do not.

MR. SPIRO: We do not.

THE COURT: Right. Because I'm not going to have several notices, there will be one notice. If you win on the opt-out class, the notice for the opt-out class and the notice for opt-in class will be the same. That's what I did in Ansoumana, it worked; I will do the same here.

MR. SPIRO: Thank you.

MR. JOSEPH: Thank you.

THE COURT: There will be no proselytizing the class, no conversations with potential class members about this lawsuit. By either side.

MR. SPIRO: Well, I do have a question about that.
Well, I guess it's mutual.

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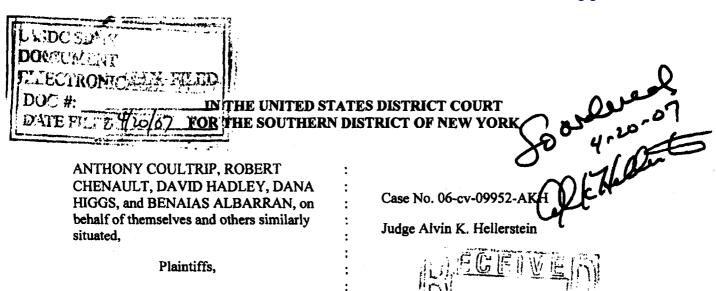
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THE COURT: It's mutual because I have to see the notice and regulate it. And without a notice, we'll not have I can't prevent and I will not prevent the defendant from ordinary job-related communications with people in the various functions alleged in paragraph 2 of the complaint, but they will refrain from any discussions having to do with this lawsuit. If asked, the answer is, the judge did not allow me to answer. MR. JOSEPH: Your Honor, people call my office on a fairly regular basis who are potential plaintiffs in this case. The answer is, I'm not allowed to talk to THE COURT: you, until the judge gives me permission. MR. JOSEPH: And we currently have advertising running. It's not to be. THE COURT: MR. JOSEPH: We should turn off the advertising? Yes, sir. There are no communications. THE COURT: If you want communications, you'll be outcommunicated. MR. JOSEPH: I understand, your Honor. And just to be clear, we have periodically issued press releases as the --THE COURT: You will not issue press releases. You will not communicate. MR. JOSEPH: All right. In other words, not even publicly. I MR. SPIRO: understand.

THE COURT: You will not communicate. 1 2 MR. JOSEPH: Your Honor, I'm sorry, one last question. 3 We have about 12 or 15 of these cases. Some are in California, 4 some are before four different judges. I assume then that 5 the --Based on the same fact pattern? 6 THE COURT: 7 MR. JOSEPH: Yes. But I assume then that this ruling 8 applies to no communication with Pfizer reps; therefore, I 9 would assume that any press release that does not mention 10 Pfizer would be okay. 11 THE COURT: Pfizer is in my court. The other cases 12 you talk about reflect other drug companies? MR. JOSEPH: Correct, your Honor. 13 I'm not dealing with those 14 THE COURT: All right. 15 drug companies. The advertising is not directed towards 16 MR. JOSEPH: 17 Pfizer in particular. 18 THE COURT: I'm not going to get into all the things You've heard my rulings, you understand my 19 that you do. I don't think you want to come up here on a contempt 20 rulings. 21 motion. MR. JOSEPH: Thank you, your Honor. 22 MR. SPIRO: You're quite right, your Honor. 23 THE COURT: Thank you. 24 25 MR. BOUDREAU: Thank you, your Honor. 000

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EXHIBIT 4



PFIZER INC.,

٧.

Defendant.

JOINT PROPOSED DISCOVERY PLAN AND BRIEFING SCHEDULING REGARDING PLAINTIFFS' MOTION TO CERTIFY THE STATE LAW CLASS

Pursuant to this Court's February 28, 2007 instruction and its April 12, 2007 Order Denying Leave to Withdraw Class Allegations, the parties to this action jointly propose the following discovery plan, at the end of which Plaintiffs will file a motion for Rule 23 class certification of the state law claims in the case.

A. Written Discovery Directed at Class Certification

1. The parties have each served interrogatories and requests for production of documents. Plaintiffs served document requests on February 7, 2007, March 9, 2007 and April 17, 2007; interrogatories on February 7, 2007 (withdrawn in light of the Court's February 28, 2007 ruling) and April 17, 2007; plaintiffs served today a response and objection to Defendant's document requests as well as partial production). The parties agree that they will serve all further written responses to discovery on or before Monday, April 30, 2007. The parties will physically produce any remaining documents in response to the above discovery on or before Monday, May

7, 2007.

- 2. To the extent a party objects to any discovery request, the parties will meet and confer in an effort to resolve the dispute without court intervention. In the event the parties cannot reach agreement on the subject discovery dispute, the parties will submit any such dispute to the Court in accordance with its standing orders and practices. Any such disputes regarding class-based written discovery shall be jointly submitted to the Court on or before Friday, May 18, 2007.
- 3. On or before Friday, May 4, 2007, and consistent with the Federal Rules of Civil Procedure, the parties agree to meet in person and confer regarding electronic discovery and to establish a written electronic discovery plan. To the extent there are any disputes regarding electronic discovery that bear on class-based discovery, the parties will submit any such dispute to the Court in accordance with its standing orders and practices on or before Friday, May 30, 2007.

B. Depositions Directed at Class Certification

- 1. Plaintiffs shall complete the 30(b)(6) deposition session(s) of Defendant (noticed on February 7, 2007) in New York, NY on or before June 15, 2007. This deposition is to be focused on the duties and responsibilities of potential class members; training (including selling aids, role playing, scripts and the like; and corporate structure and divisions, and other matters relevant to defining the proper class).
 - 2. Defendant shall depose the five named Plaintiffs on or before June 15, 2007.
- 3. Plaintiffs reserve the right to depose up to four regional and/or district sales managers in the relevant states. Whether depositions of these management employees will be

necessary is presently unknown. To the extent Plaintiffs eventually deem such depositions necessary, such depositions shall be completed on or before Friday, June 29, 2007. Such depositions shall take place at the witnesses' place of business or residence, unless Defendant deems New York, NY to be a more convenient location.

- 4. The parties recognize that the above plan may need to be altered depending on witness availability and whether witnesses have the knowledge they are designated to have under Rule 30(b)(6) as well as certain other factors. The parties agree that they will work together to resolve and/or minimize any disputes regarding such matters and will not involve the Court unless absolutely necessary. To that end, in the event the parties cannot reach agreement on a dispute concerning the above-reference depositions, the parties will jointly submit such dispute in writing to the Court on or before Friday, July 6, 2007.
- 5. In no event shall any of the discovery referenced in this Joint Discovery Plan and Briefing Schedule extend beyond July 13, 2007, unless agreed to by the parties or ordered by the Court.

C. Motion for Rule 23 Class Certification

- 1. Plaintiffs will file their Motion(s) for Rule 23 Class Certification on or before Friday, June 30, 2007.
- 2. Defendant will file its Opposition to Plaintiff's Rule 23 Motion on or before Wednesday, July 18, 2007.
- Plaintiffs will file their papers in reply to Defendant's Opposition on or before 3. 31, 2007.

 The Court will hold oral argument on the Motion on 2007. Tuesday, July 31, 2007.
 - 4.

Respectfully submitted,

Charles Joseph (CJ-9442) Attorneys for Plaintiffs JOSEPH & HERZFELD 757 3RD Avenue New York, NY 10017-2013

Telephone: (212) 688-5640 Facsimile: (212) 688-2548

Ira Spiro SPIRO MOSS BARNESS 11377 W. Olympic Bl., 5th Floor Los Angeles, CA 90064 Telephone: (310) 235-2468 Facsimile: (310) 235-2456

George R. Kingsley Eric B. Kingsley KINGSLEY & KINGSLEY, APC 16133 Ventura Bl., Suite 1200 Encino, CA 91436 Telephone: (818) 990-8300

Facsimile: (818) 990-2903

ATTORNEYS FOR PLAINTIFFS

/s/ James N. Boudreau

James N. Boudreau (JNB-0585) (Admitted pro hac vice) LITTLER MENDELSON, P.C. Three Parkway 1601 Cherry Street, Suite 1400 Philadelphia, PA 19102 Telephone: (267) 402-3029 Facsimile: (267) 402-3131

A. Michael Weber AMW(8760) LITTLE MENDELSON, P.C. 885 Third Avenue, 16th Floor New York, NY 10022-4834 Telephone: (212) 583-9600 Facsimile: (212) 832-2719

Lee Schreter
(Admitted pro hac vice)
LITTLER MENDELSON, P.C.
3348 Peachtree Road, Suite 1100
Atlanta, GA 30326
Telephone: (404) 233-0330
Facsimile: (404) 233-2361

ATTORNEYS FOR PFIZER INC.